

Exhibit B

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

IN RE: HERLEY INDUSTRIES, INC. SECURITIES
LITIGATION

No. 06-2596 (JRS)

October 29th, 2009

10:05 a.m.

Deposition of DR. PATRICK CONROY, held
at the offices of Kirby McInerney, LLP, 825
Third Avenue, New York, New York, pursuant to
Subpoena, before Jeremy Frank, a Notary Public
of the State of New York.

Job No: 2574

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2 THE WITNESS: In another 15 minutes
3 or so can we take a short break?

4 MR. PRESS: Do you want to break
5 now, we can break now.

6 THE WITNESS: No, its okay.

7 Q. All right.

8 How many shares, Herley shares do
9 you believe were purchased by class members
10 during the class period?

11 A. I don't know, I'm sure its in the
12 backup and exhibits, I don't know a number.

13 Q. Can you point me to someplace
14 where you have the number, the number of
15 shares purchased?

16 MR. LECHTMAN: Do you mind reading
17 back the last question.

18 (Record read.)

19 A. I think we would have to look at
20 the backup to this, I don't know the number
21 off the top of my head.

22 Q. It is not in your report?

23 A. I don't believe its that number,
24 let's me see if its in --

25 MR. LECHTMAN: Ira, just so I'm

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2 clear, you're asking for a number of all
3 shares purchased in Herley stock during
4 the class period?

5 MR. PRESS: The number of shares
6 purchased during the class period, yes.

7 A. I don't think I have a number of
8 shares listed in the report.

9 Q. But you did come up with a number
10 in order to estimate classwide damages?

11 A. Correct.

12 Q. Do you have any understanding or
13 belief of the number of shares of Herley that
14 were purchased between, subsequent to the
15 announcement of suspension which I believe was
16 June 13th, 2006, but prior to the announcement
17 that the suspension had been lifted on October
18 13th, 2006?

19 A. I'm sorry, do I know the number of
20 shares purchased during that time period?

21 Q. Do you have any opinion, not do
22 you know, do you have any opinion of the
23 number of shares purchased during that period?

24 MR. LECHTMAN: Objection, you can
25 answer.

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2 A. I don't know.

3 Q. Did you ever look into that?

4 A. I don't know, I don't recall.

5 Q. On Exhibit 9 of your report you do

6 have a figure for the number of shares

7 outstanding on June 5th, 2006, 14,649,916.

8 A. Yes.

9 Q. Does that number give you any

10 sense of any better basis to recall the number

11 of shares you believe were purchased during

12 the class period?

13 A. No.

14 Q. Now, you continue, hold on, go

15 back to page two of your report, second

16 paragraph.

17 A. Hold on one second.

18 Q. Sure.

19 A. Go ahead.

20 Q. Second paragraph, the one that

21 begins with the words, "Much of the decline,"

22 and the last sentence says, "This implies that

23 had the full extent of the allegations and

24 consequential impact of the allegations on

25 Herley been known at the beginning of the

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2 study, but I don't recall those specific
3 dates.

4 Q. But its not, these dates are not
5 include in the event studies that you attached
6 to your report?

7 A. Do you mean these dates are not
8 included?

9 Q. You did not include a study of the
10 stock price impact or did you on the dates
11 that the extent of the fines became known
12 publicly, the extent the compliance costs
13 became known publicly?

14 MR. LECHTMAN: Objection, you can
15 answer.

16 A. I don't know if those dates are
17 included in the event study analysis that we
18 did or not.

19 Q. All right.

20 So what sort of scientific study
21 then did you do to determine the impact that
22 Herley stock price would have seen had the
23 indictment and suspension along with the
24 actual resolution of those matters been
25 disclosed at the beginning of the class period

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2 specific dates.

3 Q. In general, was Herley's stock
4 price reacting statistically significantly to
5 disclosure of material information?

6 MR. LECHTMAN: Objection.

7 A. I'm not sure what you're asking.
8 I think you seem to be asking did
9 it trade in an efficient market; is that what
10 you're asking?

11 Q. That's a way of asking it.

12 A. I think yes, Herley's stock price
13 traded in an efficient market where one would
14 expect that news that's material would have an
15 impact on the stock price.

16 Q. Do you know whether NERA experts
17 generally performed event studies when you're
18 trying to determine the impact of information
19 on a public company stock price?

20 MR. LECHTMAN: Objection.

21 A. Generally event studies are
22 performed if its relevant, yes.

23 Q. Is an event study a necessary
24 component of a damage calculation in a 10(b)
25 class action?

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2 A. I would say yes.

3 Q. Now, is an event study a necessary
4 component of a damage calculation for a claim
5 under the 1933 act?

6 A. I don't know.

7 Q. How about for a shareholder
8 derivative claim?

9 A. I don't know if its a necessary
10 component for a shareholder derivative claim.

11 Q. Have you ever tried to analyze
12 damages in a shareholder derivative action?

13 MR. LECHTMAN: Objection.

14 A. Sorry, say that one more time.

15 Q. Have you ever done damage analysis
16 of a shareholder derivative action?

17 MR. LECHTMAN: Objection.

18 A. I certainly have worked on
19 shareholder derivative actions before. Have
20 we done a damage analysis of shareholder
21 derivative analysis, I would guess so, yes.

22 Q. And have you personally done one?

23 A. Have I worked personally on
24 derivative actions ever?

25 Q. First, have you ever done an

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2 based on a percentage of the share price on
3 each day during the class period.

4 Q. As opposed to the actual dollar or
5 penny reaction?

6 A. As opposed to a constant dollar
7 price reaction or a dollar price reaction
8 which is constant between disclosures.

9 Q. Anything else that you can think
10 of that the dura changed in terms of
11 acceptable calculation of damages in
12 securities fraud cases?

13 MR. LECHTMAN: Objection.

14 A. That's a very general question.

15 I think in general, dura was
16 certainly instrumental in making sure an event
17 study was done, in making sure that the fraud
18 however inflation is calculated off of that
19 fraud be related specifically indirectly to
20 the fraud.

21 Q. Predura was it possible to
22 calculate damages in a securities fraud case
23 without an event study?

24 MR. LECHTMAN: Objection.

25 A. I don't know the answer to that.

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2 paragraph 34?

3 A. And 37.

4 Q. And 37, and I'm wondering whether
5 you calculated the cost of written compliance,
6 written contracting policies and procedures or
7 an ethics and compliance officer, but whether
8 you calculated those at all?

9 A. No need to wonder, I didn't.

10 Q. You also referred to --

11 A. Am I done with this?

12 Q. You are done with this for the
13 moment.

14 -- legal cost relating to the
15 criminal indictment, its legal costs of about
16 \$11.36 million. And did you include the legal
17 costs related to the shareholder derivative
18 action?

19 A. This was the, we asked counsel to
20 quantify legal costs for us related to this
21 action, and as we, that's where we got this
22 figure from. And then we again there was,
23 counsel also represented there was an
24 insurance payment so that's where we got that
25 figure from. So the legal cost figure we have

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2 is everything we understand to be associated
3 with this action. I don't know off the top of
4 my head whether it includes legal fees for a
5 derivative action or not.

6 Q. I am just wondering the term you
7 used, legal costs related to the criminal
8 indictment --

9 A. Right.

10 Q. -- obviously I think its clear
11 from the terminology you use that would
12 include legal costs related to defending and
13 ultimately settling the criminal charges; is
14 that correct?

15 A. It would include all legal costs
16 related to the criminal indictment. If that
17 number was different than what it would be
18 here, we would use that different number.

19 Q. Does it also include legal costs
20 related to defending this action?

21 A. I don't know.

22 Q. And --

23 A. This was as of, I assume as of the
24 day of this report, but I don't believe, I
25 don't know.

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2 Q. Okay.

3 But this action is not the
4 criminal indictment, that why I'm asking.

5 A. I understand.

6 Q. There is a criminal indictment,
7 there is this action, there is also a
8 shareholder derivative action. I think I
9 asked before if you know if that figure
10 included the cost of defending the shareholder
11 derivative action.

12 A. I don't know.

13 Q. Have you ever enquired as to what
14 those legal costs are?

15 A. I don't believe so.

16 I don't know how much more you
17 have, if you have a lot more can we take a
18 two-minute break?

19 Q. We can.

20 A. If you don't have much more I'm
21 happy to keep going.

22 Q. I don't know how much more we
23 have, we are working on it so --

24 A. Can we take --

25 Q. It is wisest to take a break.